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PALESTINE REFUGEE PROBLEM

Suggested Railway Projects

There are three railway projects in the Middle East which could contribute substantially to the economic development of the region and which, at the same time, could employ considerable numbers of unskilled laborers in their construction.

These projects are (1) a railroad from the northeastern Syrian agricultural development area to the "Berlin to Baghdad" railroad, which runs along the Turkish border; (2) a railroad connecting Baghdad with Damascus, following the Euphrates River to the Iraqi-Syrian border and then across Palmyr, thence south to Damascus; and (3) a restoration of the Ma'an-Medina railroad, which was destroyed by Lawrence of Arabia during the First World War.

Plans to improve the transportation system, however, have been delayed not only by the lack of capital, the traditional inertia of the Middle East governments, and the recent catastrophe of the Palestine War, but also, because of conflicting proposals for transportation system to be developed. Both the Syrians and Iraqi have for some time discussed a railroad from the Euphrates valley to the Mediterranean but were unable to agree on the route. The Iraqi desired a direct route across the deserts from the Euphrates valley, avoiding the northeast corner of Syria, while the Syrians preferred a rather substantial detour through the Jazira region in the northeast. Both desire such a railroad as a prestige project, connecting the Tigris Euphrates Valley with the Mediterranean, through all-Arab territory, thus eliminating dependence on the "Berlin to Baghdad" Railway, a large part of which lies within Turkey. Consequently, these railroad projects have not materialized.

The Syrian Railway

The existence of large areas of potentially productive agriculture land in northeastern Syria east of the Euphrates River (Jazira) has long been one of the unused natural resources of the Middle East. One of the major reasons for its non-development has been the absence of transportation facilities which could bring the agricultural produce to points of marketing and consumption. This has been recognized by the Syrian Government for some time.

A short railroad of approximately 100 miles built from the Syrian agricultural area and connecting with the Turkish section of the "Berlin to Baghdad" railway could tap this potentially rich region and supply it with transportation facilities. The agricultural produce from this region could move to Aleppo, Homs, Damascus and

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Beirut on the existing rail system. Such produce could be consumed by the large populations in these regions, thus contributing to an improved standard of living and be available, also, for export.

As a general rule, the movement of commodities over short distances is more economical by road and truck and for long distances more economical by railroad. The latter is especially true if we are thinking in terms of rather bulky, low-cost commodities. A 100-mile railroad would, therefore, not normally justify itself. The major argument in favor of the Jazira railroad is that it ties in to an existing railroad system of considerable length and, thereby, these commodities can move over greater distances at cheaper costs than would be possible by road. This does not mean that there would not be immediate needs for improvement in the road system. However, if Jazira becomes the point of major concentration in the overall rehabilitation program, there are serious arguments in favor of a railroad spur.

This Jazira railway would involve no difficult engineering problems since it would run entirely through flat country with no mountainous obstructions. Its major requirements would be some steel rail and railway ties. River bridges could be kept at a minimum. It should require no expenditure for rolling stock in its initial operation, assuming that proper agreements could be worked out with the existing railway officials, since Les Lignes Syriennes de Baghdad, now operating this railroad for the Syrian, Turkish, and Iraqi Governments, could use part of its rolling stock and service this additional line. When traffic increased with the movement of agricultural products additional rolling stock would be needed. This new traffic would presumably produce sufficient new revenues to permit purchase of additional rolling stock on a self-liquidating basis.

The extent of railway development necessary before irrigation and other projects for agricultural development of Jazira are initiated would depend considerably on whether there is contemplated movement of a large volume of construction materials or other commodities to be used by settlers before the area becomes self-sustaining. If there are such large quantities of construction materials there would be considerable advantage in pushing the railroad into the region slightly in advance of other construction schedules.

Baghdad to Damascus Railway

As discussed above, the Baghdad to Damascus Railway has been considered for some time. It was one of the projects approved by the Economic Committee of the Arab League because it supplies a more direct route between the Tigris-Euphrates Valley and the Mediterranean and

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provides for keeping this route entirely within Arab countries. The railroad would be 500 to 600 miles in length and would, in its last 100 miles, have to cover rather high foothill areas. In my opinion, it is the least desirable of the three potential railway projects in the Middle East region.

Ma'an-Medina Railway

This railway was destroyed by Lawrence in his campaigns against the Ottoman Empire in World War I. It connects at Ma'an with Amman, Damascus and the existing railway network of the Middle East. It was previously used and would be used again for the purpose of transporting thousands of pilgrims who visit Medina in accordance with Mohammedan religious customs. It is, therefore, sometimes called "The Pilgrims' Railroad." Saudi Arabia has a considerable economic interest in restoring this railroad because prior to the development of the ARAMCO oil fields the religious pilgrims supplied the major source of income of the government, and they still remain one of the important sources of its income. The other Moslem countries have a religious interest in facilitating travel of the pilgrims. Recent discussions between Saudi Arabia, Trans-Jordan, Syria and Lebanon have renewed this proposal which had been endorsed previously by the Arab League. (The difficulty here is the usual one of financing and these discussions arrived at no conclusion because of the disagreement over responsibility for financing the restoration of the railroad.)

To a certain extent the term "restoration" of the railroad is a misnomer. It is doubtful whether any rail or timber remains after these many years. However, the roadbed and the right-of-way are there and, conceivably, there may be other economies, such as existing bridges, as remnants of the old railway. There are two advantages of this railway project over the others. Part of the railway is in Trans-Jordan, which country will probably have the responsibility for absorption of a large number of refugees. Since one of the major political interests of the U.S. in the Arab Refugee program is to restore our prestige in the Moslem world, American assistance in reconstructing a railroad which is so important to the religious life and which has a strong psychological interest for the Moslem world could be an important contribution towards our objectives.

The Cost of Railway Construction

There is a large discrepancy among estimated cost of construction in this region, largely because there has been no commercial rail construction in this region since before World War I. The British military authorities built a railroad during the recent War along the coast, connecting the Palestine and Lebanon railroads, and the Israelis have recently been building some strategic railroads. Neither of

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these projects can offer us any assistance in our current problem. The only commercial railway construction in this region which might serve as a guide is the Saudi Arabian Railroad being built for that Government by ARAMCO. The original estimates of construction costs made by Bechtel International Corporation in 1947 was $18 million for a railroad of 330 miles, or an average in excess of $50,000 a mile. A recent inquiry by Mr. Richard Sanger of NE to ARAMCO on current construction costs (since a portion of this railroad has already been built) estimates the final costs about $40 million or a figure in excess of $100,000 per mile. It is not clear from information now available in this country how much of this $40 million is for port installations and other construction projects only indirectly connected with the railroad, and what kind of overhead charges are being included. ARAMCO has volunteered to secure more pertinent information, based on its current construction cost. It is, however, extremely unlikely that the final figure will be below the original Bechtel estimate. We can, for the moment, assume that 100 miles in Northern Syria should cost between $5 million and $10 million.

Estimates of costs for the Hejaz railroad are considerably below ARAMCO costs, but whether this reflects economies resulting from the existence of the old roadbed or merely an underestimate of costs by the Arab countries cannot be determined without a more accurate survey. In 1948 the Director of Operations of the Hejaz railroad, part of which is still operating, estimated that 6 million pounds (Syrian) as the cost of reconstructing the 525 miles in total disrepair. An earlier estimate, made in 1947 and believed more accurate, set this cost at 10 million pounds (Syrian), which was then estimated as $4 million. Estimates on the number of potential workers who would be employed on either railroad must also await a more definite statement by ARAMCO on the number of workers now engaged in constructing their railroad. (Since this memo was prepared A-173 April 21, 1949 from Jidda reports an Amman announcement April 15 that the Technical Committee of the Hejaz Railroad has estimated that repair of the line would cost £2,250,000 (presumably Palestinian pounds). This follows a previous agreement February 25 between Saudi Arabia, Trans-Jordan, and Syria for a joint government loan to the railroad to recondition the line at a cost of 10 million Syrian pounds. There is no attempt at reconciliation with previous estimates.)

Alternatives to Railroad Construction

Careful consideration should be given to alternative methods of transportation. Short distance hauling should, wherever possible, be accomplished by extending the road system. This would be true for most of the Middle East, where distances are very short except when special circumstances dictate otherwise.

Adequate

Adequate transportation for Arab Palestine to link up with the rest of the transportation system would have to be considered after final territorial settlement. The Israeli commitment to build a short railroad in Arab territory has as its objective avoidance of border crossings. In any case there would be a real justification for building small connecting links within Arab Palestine which would eliminate border crossings if the Israeli commitments do not cover this objective. Any further expansion of the transportation system in Arab Palestine should probably be confined to highways since the distances are very small and the need to move large quantities of commodities is not imminent.

The expansion of local aviation services has been suggested as a substitute for rebuilding the "Pilgrim's Railroad". I would not wish to minimize the potential usefulness of such service. I believe, however, that the high cost of air transportation, plus the fact that most of the pilgrims are rather poor by western standards, would keep the demand for increasing such service at a minimum. In any case, there would be more justification for air service for pilgrims coming from the area east of the Persian Gulf than those coming down from the Fertile Crescent. During the War there were restrictions on American planes flying over or near the Holy Cities. I don't know whether such restrictions would be applicable to a Moslem-owned airline but it may be a further limitation on air service for pilgrims.

Evaluation

Of the three projects the Jazira Railway would contribute most from the viewpoint of real economic development. The "Pilgrim Railway" has the advantage of offering the largest political gains for American objectives. This latter project would receive the cooperation of the four Arab countries which have actively considered rebuilding the road and the support of the rest of the Arab world, while the Jazira Railway would be of interest primarily to Syria, with a lesser interest for the Lebanon. The third railway project - Baghdad to Damascus, is the least desirable, and it probably would be the most expensive. It would entail conflicts over routing and would, to a considerable extent, duplicate the rather extensive highway system which now connects Baghdad with the Mediterranean ports.

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Rail

No objection to release of document #37

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